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Social dimensions of the New Partnership for Africa's Development

Report of the Secretary-General

Summary

The present report is submitted pursuant to Economic and Social Council resolution 2018/4 to review progress made in the social dimensions of the New Partnership for Africa's Development. Examined herein is progress in poverty eradication, reducing hunger and inequality, inclusive social development, peace and security and good governance. Also discussed are partnerships and resource mobilization, as well as the progress made in ensuring a coordinated implementation of Agenda 2063: The Africa We Want and the 2030 Agenda for Sustainable Development. Policy recommendations for the accelerated and sustained development of Africa are provided.

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I. Introduction

1. The New Partnership for Africa's Development (NEPAD), adopted in 2001 by the African Union, has provided a vision and policy framework for Africa's development and integration into the world economy. The 2030 Agenda for Sustainable Development and the African Union's transformative Agenda 2063: The Africa We Want are generating further momentum for action towards an inclusive, prosperous and peaceful world, in which no one is left behind, including, in particular, in Africa. This recurring report on the social dimensions of NEPAD contributes to tracking progress in achieving the goals contained in the 2030 Agenda and Agenda 2063.

II. Progress in eradicating poverty and reducing hunger and inequality

A. Poverty

2. Africa continues to make progress in reducing extreme poverty. According to the most recent estimates, extreme poverty in Africa fell to 34.9 per cent in 2015, from 45.2 per cent in 1990. In sub-Saharan Africa, extreme poverty declined to 41.1 per cent in 2015, from 54.3 per cent in 1990. In North Africa, poverty fell rapidly, to 2.2 per cent in 2015, from 12.9 per cent in 1990. Notwithstanding the progress made, 27 of the world's 28 poorest countries are located in sub-Saharan Africa, all with extreme poverty rates of more than 30 per cent. In general, the extreme poverty rate tends to be high (more than 50 per cent) in low-income and least developed countries, which are concentrated in sub-Saharan Africa.[1]

3. Notwithstanding falling poverty rates, the numbers of people living in extreme poverty has increased. In sub-Saharan Africa, the number grew from 277.51 million in 1990 to 413.25 million in 2015. This increase is due to rapid population growth, low levels of human capital and access to basic infrastructure. In addition, the impact of economic growth on poverty reduction has been low in many countries, given that economic growth is still dominated by natural resource extraction, which is capital intensive and a source of high income inequality.

4. If these trends in poverty levels and numbers continue, the average extreme poverty rate for sub-Saharan Africa will be more than 25 per cent in 2030, and nearly 9 of 10 extreme poor will reside in the region. In a very optimistic scenario in which economic growth reaches 8 per cent annually, the rate of extreme poverty in sub-Saharan Africa will still be 13.4 per cent in 2030, compared with an average of 0.4 per cent for the rest of the world.[2]

5. At the country level, Algeria, Egypt, Mauritius, Morocco, Seychelles and Tunisia have almost eliminated extreme poverty. Other non-resource-rich countries, such as Burkina Faso, Chad, Ethiopia, Guinea, Liberia, the Niger and the United Republic of Tanzania, have been successful in reducing poverty rates since 2000, at an annual pace that is similar to that experienced by China between 1996 and 2013, thanks in part to debt relief programmes such as the Heavily Indebted Poor Countries Initiative that helped to boost social spending. Other countries have also reduced poverty significantly by increasing agricultural outcomes and facilitating fertility

[1] World Bank, "PovalNet". Available at http://iresearch.worldbank.org/PovcalNet/home.aspx (accessed on 21 November 2018).

[2] World Bank, *Poverty and Shared Prosperity 2018: Piecing Together the Poverty Puzzle* (Washington, D.C., 2018).

decline. In Botswana, for example, extreme poverty decreased by 11.6 percentage points between the periods 2002–2003 and 2009–2010 thanks to these two factors.[3]

6. Through a multidimensional lens, which defines poverty by income, education and access to basic infrastructure, the poverty rate in sub-Saharan Africa is even higher. In 2013, an estimated 64.3 per cent of the population lived in multidimensional poverty. Sub-Saharan Africa also exhibits the world's highest degree of overlap among the various poverty dimensions. Consequently, a multipronged approach is required to eradicate poverty in the region, given that policy interventions that target exclusively one dimension may not reduce multidimensional poverty.

7. Decent work is a critical pathway for sustained poverty reduction. Notwithstanding some improvements, however, poverty remains high in Africa, even among those who work. The proportion of the extreme working poor (i.e., workers who live with less than $1.90 a day) was 32 per cent in 2017. This proportion is projected to decline to 31 per cent in 2018 and to 30 percent in 2019. Extreme working poverty rates are particularly high in sub-Saharan Africa, at 37 per cent in 2017, and much lower in North Africa, at 5 per cent. Overall, these rates represent a total of 140.6 million workers living in extreme poverty in Africa, including 137 million in sub-Saharan Africa, in 2017. These numbers are expected to rise if the current trend of rapid growth in the working-age population, coupled with little progress in working poverty reduction, continue.[4] In sub-Saharan Africa, poverty levels are higher for working young people than for working adults. A total of 42 per cent of young workers lived in extreme poverty in 2016, the highest working poverty rate for young people in the world.[3]

8. To spur further progress in eradicating poverty, it is vital for African countries to realize sustained and inclusive economic growth. This requires reducing inequality and diversifying the economy through structural transformation. A shift towards labour-intensive growth paths, accompanied by investment in human capital, is key, in particular in education, training and skills development for young people and children, women, people with disabilities and rural populations.

B. Hunger and food security

9. After a prolonged decline since 2000, hunger is on the rise in Africa, which makes it the region with the highest levels of hunger and food insecurity in the world. The prevalence of undernutrition, or the proportion of undernourished people, fell from 21.2 per cent to 18.3 per cent between 2005 and 2014 but increased to 20.4 per cent in 2017. In absolute terms, the number of undernourished people grew from 200 million in 2010 to 257 million in 2017. Undernutrition is most prevalent in sub-Saharan Africa in general, especially in East Africa, where 23.2 per cent and 31.4 per cent of the population, respectively, were undernourished in 2017. The main causes of these high and increasing levels include poverty, extreme weather events such as chronic droughts and flooding, conflicts, inadequate investment in agriculture and rising and volatile food prices.[5]

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[3] African Union Commission and Organization for Economic Cooperation and Development, *Africa's Development Dynamics 2018: Growth, Jobs and Inequalities* (Addis Ababa and Paris, 2018).

[4] International Labour Organization, *World Employment and Social Outlook: Trends in 2018* (Geneva, 2018).

[5] Food and Agriculture Organization of the United Nations and others, *The State of Food Security and Nutrition in the World: Building Climate Resilience for Food Security and Nutrition* (Rome, 2018).

10. In addition to undernutrition, severe food insecurity has been on the rise, in particular in sub-Saharan Africa. Between 2014 and 2017, the prevalence increased from 22.3 per cent to 29.8 per cent in Africa and from 25 per cent to 33.8 per cent in sub-Saharan Africa. The number of people experiencing severe food insecurity also rose during that period, from 260 million to 375 million in the whole of Africa.

11. Malnutrition, which undermines health and educational outcomes and economic productivity, also remains a persistent challenge. Africa is the continent where the prevalence of child stunting has decreased at the slowest pace. Between 2000 and 2017, the prevalence of child stunting decreased by 21 per cent in Africa, from 38.3 per cent to 30.3 per cent, while it decreased by 39 per cent in Asia and by 43 per cent in Latin America and the Caribbean. Africa is also the only continent where the number of stunted children under 5 years of age increased between 2000 and 2017, from 50.6 million to 58.7 million. Western Africa accounted for almost half of the increase.[6]

12. Along with persistent undernutrition, overweight is rising in Africa, which is a cause for concern. Overall, while the prevalence of overweight children under 5 years of age remains low in Africa, at 5 per cent in 2017, it increased significantly in North Africa and Southern Africa to reach high levels of 10.3 per cent and 13.7 per cent, respectively, in 2017. In absolute terms, the number of overweight children increased from 6.6 million in 2000 to 9.7 million in 2017 in Africa, with North and Southern Africa accounting for half of the increase. Moreover, globally, almost half of the 20 countries with the fastest-rising rates of adult obesity are located in Africa.[7]

13. Given that at least 60 per cent of Africa's population lives in rural areas and relies on agriculture for subsistence, African countries and their development partners have recognized that agriculture-led growth is critical to ending hunger and reducing poverty. In 2003, the African Union Assembly of Heads of State and Government adopted the Comprehensive Africa Agricultural Development Programme. Only 10 countries achieved the Programme commitment of allocating at least 10 per cent of annual public expenditure to agriculture, with Malawi and Ethiopia allocating the highest percentages, 17.6 per cent and 16.8 per cent, respectively, during the period 2015–2016.

14. In 2014, African leaders adopted the Malabo Declaration on Accelerated Agricultural Growth and Transformation for Shared Prosperity and Improved Livelihoods, which reconfirmed the positive contribution of agriculture to the development of the continent. African leaders also committed themselves to conducting a biennial agricultural review that involves tracking, monitoring and reporting on the implementation of the provisions of the Declaration. As part of this review, the 2017 inaugural biennial report on the implementation of the Declaration,[8] which outlines the performance of African Union member States during the period 2015–2016, showed that, of the 47 countries that had reported progress, 20 had obtained the minimum overall score of 3.94 of 10 to be on track for achieving the commitments by 2025. Among them, Rwanda was the best-performing country in implementing the seven commitments of the Declaration.

15. To eradicate hunger and improve food security and nutrition on the African continent, it is imperative that agriculture be at the centre of development agendas. Implementing the Comprehensive Africa Agricultural Development Programme and

[6] United Nations Children's Fund and others, "Levels and trends in child malnutrition: joint child malnutrition estimates — key findings of the 2018 edition" (2018).

[7] World Health Organization. Regional Office for Africa, *Nutrition in the WHO Africa Region* (Brazzaville, 2017).

[8] Available at https://au.int/sites/default/files/documents/33005-doc-br_report_to_au_summit_draft_stc_eng.pdf (accessed on 21 November 2018).

the Malabo Declaration on Accelerated Agricultural Growth and Transformation for Shared Prosperity and Improved Livelihoods at the country level has, as the experiences of countries such as Ethiopia and Rwanda have shown, the potential to transform the agricultural sector on the entire African continent.

C. Inequality

16. High and growing inequalities are detrimental to long-term economic growth and poverty reduction. Inequality excludes sizeable segments of the population from participating in and benefiting from development, which goes against the pledge contained in the 2030 Agenda to "leave no one behind". Income inequality is, on average, higher in Africa than in the rest of the developing world. Lowering Africa's current Gini coefficient of 0.41 to Asia's 0.35 would lift an additional 130 million people out of extreme poverty.[3]

17. Trends in income inequality vary throughout the continent. In Southern Africa, income inequality has been reduced, but remains high because of very high initial levels. With 6 of the 10 most unequal countries in the world found in Southern Africa, this subregion has the highest income inequality of all African regions and one of the highest levels of income inequality in the world. In the 2010s, the Gini coefficient of the countries of the region was more than 0.50 in general. Southern Africa also has the biggest difference between the incomes of the richest 20 per cent of the population and the poorest 20 per cent. In Central Africa, income inequality has stalled at high levels for the past 15 years, with the Gini coefficient remaining at approximately 0.40 between the early 2000s and the early 2010s. The low level of tax revenue of the countries in this subregion, at only 11 percent of gross domestic product (GDP) in 2016, compared with an average of 16 per cent for all of Africa, probably limits the capacity of countries to redistribute for greater equality and social investment. In East Africa, while income inequality varies throughout the subregion, overall it increased between the 2000s and the 2010s. Mauritius, Rwanda and the United Republic of Tanzania are exceptions owing to social protection programmes and investment in education, skills and entrepreneurship development. In North Africa, income inequality remains at moderately low levels (Gini coefficient of 0.33 on average during the period 2010–2015). In West Africa, income inequality has been falling in general, and the average Gini coefficient reached 0.40 during the period 2014–2017, but it has increased and remains high in Côte d'Ivoire, Ghana and Nigeria. Based on the differences between the incomes of the richest and the poorest, Southern Africa has the highest level of inequality, North Africa the lowest level and East Africa, Central Africa and West Africa have comparable intermediate levels.[3]

18. Furthermore, inequality of opportunities remains high in Africa, in particular regarding access to basic services and productive resources such as education, health care and nutrition, water and sanitation, energy, information and communications technology (ICT) and finance and credit. Large urban-rural disparities in access to basic services also exist. In sub-Saharan Africa for example, the proportion of the households that have access to electricity is 70 per cent in urban areas, compared with 22 per cent in rural areas.[9]

19. Africa has made remarkable progress towards gender equality. The region has achieved near gender parity in primary school enrolment, and secondary education completion rates have increased in all regions for both girls and boys. The prevalence of child marriage has declined, and some countries have managed to delay the age of

[9] World Bank Group, *Africa's Pulse: An Analysis of Issues Shaping Africa's Economic Future*, No. 17, April 2018.

marriage among women.[10] The labour force participation rate of women in sub-Saharan Africa has increased slightly.

20. Fifteen sub-Saharan African countries posted improvements in the representation of women in national parliaments. In 2018, women account for 23.7 per cent of lower house seats in sub-Saharan Africa, compared with 19.8 percent in Asia and 18.6 per cent in the Arab States. Rwanda, where 61.3 per cent of lower house seats are held by women, has the highest representation of women in the world.[11] Ethiopia recently approved a new Cabinet, with 50 per cent female composition, including the country's first woman defence minister and first woman president.

21. Notwithstanding those developments, high gender inequality, which manifests itself in the economic, social, political and human development realms, persists in almost every African country. For example, African women are less likely to be employed than men, and when they are, they earn only 70 per cent of men's wages, on average. In nearly two thirds of countries, women are more likely to live in poverty and also more likely than men to report food insecurity. Effort is also still required to achieve gender parity in education, especially at the secondary and tertiary levels, except in North Africa.

III. Promoting inclusive social development

A. Access to quality education and skills development

22. Education is a major driver of development. Research has shown that increasing the years of schooling among adults 15 years of age and over by two years in developing countries would help to lift nearly 60 million people out of poverty and that achieving universal primary and secondary attainment within this group would lift more than 420 million out of poverty. These gains would reduce the number of poor globally by more than half.[12]

23. African countries continue to post significant gains in education. The number of students enrolled in primary school increased from 62 million in 1990 to 149 million in 2012. To enable more children to attend primary school, 15 sub-Saharan African countries have abolished school fees since 2000.[13] Owing to higher transition and retention rates, the lower secondary gross enrolment ratio increased from 24 per cent in 1999 to almost 50 per cent in 2012, and the upper secondary gross enrolment ratio increased from 22 per cent to 32 per cent during the same period. Larger increases were seen in poorer countries.[14]

24. A total of 21 per cent of primary school-age children, 37 per cent of lower secondary school-age adolescents and 58 per cent of upper secondary school-age

[10] Economic Commission for Africa and others, *2017 Africa Sustainable Development Report: Tracking Progress on Agenda 2063 and the Sustainable Development Goals* (Addis Ababa, 2017).

[11] Inter-Parliamentary Union, "Women in national parliaments: situation as of 1 October 2018". Available at http://archive.ipu.org/wmn-e/classif.htm (accessed on 21 November 2018).

[12] United Nations Educational, Scientific and Cultural Organization, "Reducing global poverty through universal primary and secondary education". Policy Paper No. 32/Fact Sheet No. 44 (Paris, 2017).

[13] Africa-America Institute, *State of Education in Africa Report 2015: A Report Card on the Progress, Opportunities and Challenges Confronting the African Education Sector* (New York, 2015).

[14] UNESCO Institute for Lifelong Learning, *Promoting Lifelong Learning for All: The Experiences of Ethiopia, Kenya, Namibia, Rwanda and the United Republic of Tanzania* (Hamburg, 2018).

young people, however, were out of school in 2016.[15] A total of 41 per cent of primary school-age children did not complete primary school.[16] Approximately 123 primary school-age out-of-school girls were denied the right to education for every 100 boys in 2016,[15] and women still do not enrol in tertiary education as much as men do. Moreover, notwithstanding progress in enrolment, illiteracy remains high. In 2016, more than one in four young people in sub-Saharan Africa could not read. Approximately 87 per cent of children of primary school age did not reach the minimum proficiency level in reading in 2015 owing mainly to the quality of teaching and learning. The adult literacy rate remained at 65 per cent between 2000 and 2016.[16]

25. The lack of well-trained teachers is also a challenge with regard to meeting the educational needs of Africa. The proportion of teachers with adequate training was 36 per cent at the pre-primary level, 62 per cent at the primary level and 45 per cent at the secondary level. With only 22 per cent of primary schools and 49 per cent of lower secondary schools in sub-Saharan Africa having had access to electricity in 2015, infrastructure is another obstacle to improving education. Conflicts also disrupt school attendance. For example, terrorism-related attacks on teachers and education institutions by Jama'atu Ahlis Sunna Lidda'Awati Wal-Jihad (Boko Haram) resulted in 611 teacher deaths and forced 19,000 students to flee between 2009 and 2015.

26. Furthermore, resources need to be mobilized in support of Africa's education and skills development. Currently, social spending on education also remains low. In 2015, the public education expenditure was 16.9 per cent of total public expenditure in sub-Saharan Africa.[16] In addition to paying for formal fees, households have to spend almost as much for such things as school supplies, learning materials and transportation.[17] The share of total international aid allocated to basic education in sub-Saharan Africa fell to 26 per cent in 2015, which is less than half of the level that it had received in 2002. Nevertheless, the region had more than half of the world's out-of-school children. By contrast, North Africa and Western Asia only had 9 per cent of all out-of-school children, and the share that this region received in total international aid allocated to basic education increased from 5 per cent in 2002 to 22 per cent in 2015.[16]

27. To improve school enrolment, attendance and completion rates and to reduce illiteracy, African countries should make education compulsory and improve access to and the quality of education. The successful structural transformation of the continent demands a skilled workforce, intensifying the need for educational initiatives that provide formal education and relevant technical and vocational skills training. African young people need to have a solid foundation in basic education and should have the opportunities to pursue higher educational levels. Countries must also continue to make the building of knowledge capital a focus of national visions and strategies for inclusive development.[18]

B. Achieving universal health coverage and curbing the outbreak of major diseases

28. Africa has made impressive progress in the health sector. The average life expectancy at birth for both sexes increased from 57 years in 2010 to 60 years in

[15] UNESCO Institute of Statistics, "One in five children, adolescents and youth is out of school", Fact Sheet No. 48 (Paris, 2018).

[16] United Nations Educational, Scientific and Cultural Organization, *Global Education Monitoring Report 2017/2018: Accountability in Education — Meeting our Commitments* (Paris, 2017).

[17] World Bank, *World Development Report 2018: Learning to Realize Education's Promise* (Washington, D.C., 2018).

[18] World Bank, *Facing Forward: Schooling for Learning in Africa* (Washington, D.C., 2018).

2015. The crude birth rate and crude death rate per 1,000 population declined from 39.2 to 34.3 and from 13.7 to 8.9, respectively, during the period 2000–2015. In sub-Saharan Africa, neonatal mortality and under-five mortality rates per 1,000 live births also declined from 41 to 27 and 156 to 76, respectively, from 2000 to 2017.[19] Polio immunization coverage increased from 55 per cent in 2000 to 72 per cent in 2011. It has remained stagnant since then.

29. While the maternal mortality ratio is also declining, it remains high, at 542 per 100,000 live births. Only 49.6 per cent of reproductive-age women who are married or in a union had their family planning needs met during the period 2011–2015. Antenatal care coverage also remained alarmingly low. In 2015, only 54 per cent of pregnant women received the full life-saving antenatal care coverage. The region is also characterized by a very low skilled birth attendance rate, which was 54 per cent between 2005 and 2016. In 2018, the adolescent birth rate is the highest in sub-Saharan Africa, at 101 births per 1,000 women aged 15 to 19.[20]

30. The new HIV infection rate declined from 2.1 per 1000 in 2011 to 1.2 in 2016. The incidence rate in 2016, however, still represented 1.2 million new infections in absolute terms. The number of people receiving antiretroviral treatment increased from 2.1 million in 2007 to 13.8 million in 2016, demonstrating improvements in the performance of the antiretroviral treatment programme in the region. There were more than 1.3 million HIV-positive pregnant women in 2016. The proportion receiving antiretroviral treatment for the prevention of mother-to-child transmission increased to 68 per cent in 2016, from 50 per cent in 2008. While the HIV mortality rate per 100,000 population declined from 139 in 2011 to 71 in 2016, it remains high.

31. Malaria incidence and malaria mortality rates declined from 299 to 240 cases per 1,000 population and from 72 to 50 deaths per 100,000 population, respectively, during the period 2010-2016. There were approximately 194 million new malaria cases and 405,880 malaria deaths in 2016 in absolute numbers, showing the magnitude of the burden. Furthermore, the tuberculosis prevalence rate declined from 345 in 2011 to 340 per 100,000 population in 2014 and the tuberculosis mortality rate dropped from 47 in 2010 to 42 per 100,000 in 2016.[20]

32. Spontaneous outbreaks of diseases, such as the Ebola virus, pose an additional burden to countries. A new Ebola virus outbreak occurred in the Democratic Republic of the Congo in May 2018, resulting in 155 deaths. The security situation in the country has been undermining the response, raising the risk of the spread of the virus both within and outside the country.[21] Because the outbreak poses threats to neighbouring countries, the World Health Organization has responded by providing these countries with personnel and equipment. The outbreak is also a reminder for countries to invest in preparedness and engage in resource mobilization. Awareness-raising activities should also be undertaken to ensure a successful response.[22] African countries should strengthen their health systems and resilience to minimize the impact of such epidemics.

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[19] United Nations Children's Fund and others, *Levels and Trends in Child Mortality: Estimates Developed by the UN Inter-Agency Group for Child Mortality Estimation* (New York, 2018).

[20] World Health Organization, Regional Office for Africa, *Atlas of African Health Statistics 2018: Universal Health Coverage and the Sustainable Development Goals in the WHO Africa Region* (Brazzaville, 2018).

[21] World Health Organization, Regional Office for Africa, "Ebola virus disease: Democratic Republic of the Congo", External Situation Report 12, 23 October. (Brazzaville, 2018).

[22] World Health Organization, "Statement on the October 2018 meeting of the IHR Emergency Committee on the Ebola virus disease outbreak in the Democratic Republic of the Congo", 17 October 2018. Available at www.who.int/news-room/detail/17-10-2018-statement-on-the-meeting-of-the-ihr-emergency-committee-on-the-ebola-outbreak-in-drc.

33. Greater efforts are required to control noncommunicable diseases and their risk factors in Africa before they become the major causes of mortality and morbidity. Among the leading causes of death in the region, lower respiratory tract infections, HIV/AIDS, diarrhoeal diseases, stroke, ischaemic (coronary) heart disease, tuberculosis and malaria take the top ranks. Malaria dropped significantly, from fourth to seventh position, between 2000 and 2015 owing to the effective malaria control programmes in the region, and HIV will also be dropping from the list of the leading causes of death if the current progress in HIV control programmes is sustained. These are welcome developments.

C. Demographic dividend

34. Africa has the fastest rate of population growth in the world, and its large working-age population continues to grow rapidly. Africa's population increased from 228 million in 1950 to 1.26 billion in 2017 and is projected to reach 2.5 billion by 2050. The population between 15 and 24 years of age was 239 million in 2017 and is expected to reach 461 million by 2050.[23] The working-age population (15 to 64 years of age) is also estimated to grow by 70 per cent, to reach 450 million by 2035, which is a window of opportunity for the region. This demographic change, however, is accompanied by several challenges such as high unemployment, low job creation, rapid urbanization and inadequate access to health care, education and infrastructure. Failure to leverage this window of opportunity might therefore lead to instability and a continued brain drain.

35. Africa can reap a demographic dividend if this window of opportunity is harnessed and the potential of the growing population of young people is successfully tapped. To translate this increase into inclusive and sustained economic growth, African countries need to generate sufficient decent jobs to absorb the large working-age population. The agriculture sector, which employs most of the working-age population, should be modernized, thereby facilitating industrialization. To absorb the excess labour that will be shed from agriculture as a result of modernization, however, investment should also be made in labour-intensive manufacturing. Countries should design policies that foster human capital accumulation and empower the poor and low-skilled workers to take advantage of opportunities arising with structural transformation. Countries should invest in health, education, innovation, skills development and women in order to promote a healthy, educated and skilled workforce.[14] Sexual and reproductive health education and service provision for adolescents and young people is also vital for retaining them in school and helping them to make informed choices. It is also important for the countries to increase the role of the private sector and attract foreign direct investment (FDI) to contribute to job creation.[24]

D. Social protection

36. Social protection is a means of alleviating poverty and a policy instrument for inclusive and sustainable socioeconomic development. Notwithstanding its recognized contribution to reducing poverty and fostering improvements in education and health, social protection coverage remains low in Africa. The effective coverage, which is measured as the proportion of the total population that is actively contributing to a social insurance scheme or receiving benefits, is 18 per cent of the

[23] United Nations, Department of Economic and Social Affairs, *World Population Prospects: The 2017 Revision, Key Findings and Advance Tables* (New York, 2017).

[24] African Development Bank, *African Economic Outlook 2018* (Abidjan, 2018).

total population. Many countries have made social protection a key element of their national development strategies. While all African countries have statutory social security schemes, the coverage is limited to workers in the formal economy. Countries such as Botswana, Eswatini, Lesotho, Namibia and Seychelles have successfully developed universal non-contributory pension schemes and countries such as Algeria, Cabo Verde, Mauritius and South Africa have achieved universal coverage by a mix of contributory and non-contributory programmes.[25]

37. A small proportion of the working population that is formally employed has access to formal social security contributory schemes for pensions, employment injury, maternity benefits and health protection. Workers in the informal economy, however, rely on individual coping strategies that are usually expensive and ineffective. This segment of the population could fall into poverty owing to sudden shocks such as illness or the loss of a job. Evidence has shown that low social assistance scheme coverage of the active population hampers the positive impact of such schemes on productivity and economic development.

38. Only 16 per cent of children in Africa are covered by any social protection schemes. In addition, 40.8 per cent of African countries offer no child or family benefit programme. Many of the existing schemes cover only a small proportion of children, who are either poor and vulnerable or whose parents work in formal employment. Most of the countries with data available cover less than 20 per cent of childbearing women. Some countries have recently moved from employer liability to social insurance coverage for maternal benefits.

39. Unemployment benefit coverage for the working-age population is also low. Only 5.6 per cent of the unemployed receive such benefits, owing mainly to the high levels of informal employment and the lack of unemployment benefits. Some 30 per cent of older persons are covered by pensions. Countries such as Botswana, Lesotho, Mauritius, Namibia and Seychelles provide universal pensions to all older persons.

40. To improve coverage, countries need to boost social spending on social protection systems, including floors. During the period 2010–2015, social protection expenditure, excluding health, was very low, at 5.9 per cent of GDP in Africa and 4.5 per cent of GDP in sub-Saharan Africa. North Africa had a higher proportion, at 7.6 per cent of GDP, which is comparable to that of Asia and the Pacific, at 7.4 per cent.[25]

41. African countries should invest in social protection and extend it to workers in the informal sector as a means of formalizing and improving their working conditions. It is also necessary for sustainability to be integrated into social protection programmes to enhance their effectiveness.

IV. Promoting structural transformation and inclusive growth

A. Productive employment and decent work

42. Full and productive employment and decent work for all is an important pathway for inclusive growth and sustainable development. Notwithstanding Africa's impressive rates of growth for close to two decades, the 2008 global recession slowed job growth and poverty eradication efforts. While growth has rebounded, the pace is not fast enough to create enough wealth and jobs to help to reduce poverty.

43. Africa's unemployment rate was 7.9 per cent in 2017 and will likely stay the same in 2018, with North Africa having much higher rates than sub-Saharan Africa.

[25] International Labour Organization, *World Social Protection Report 2017–2019: Universal Social Protection to Achieve the Sustainable Development Goals* (Geneva, 2017).

Owing to increases in the working-age population and the labour force, the number of unemployed is expected to increase to 38.9 million in 2018, from 37.8 million in 2017.[4]

44. With an unemployment rate of 11.7 per cent in 2017, North Africa has the highest unemployment rate in the world. Although the rate is expected to decline slightly, to 11.5 per cent in 2018, the number of unemployed in the subregion will remain at 8.7 million. Unemployment is particularly high among young people and women, and the unemployment rate for young people, which was 25 per cent in 2017, is the highest in the world. Young people constitute more than 34 per cent of the total unemployed population, while representing only 15 per cent of the labour force in the subregion. In addition, the unemployment rate for women is more than twice that of men owing to rooted gender roles and sociocultural discrimination that restrict women's access to decent jobs. The unemployment rate for women is expected to increase further in the subregion as a result of these structural barriers.

45. Sub-Saharan Africa's unemployment rate of 7.2 per cent in 2017 is forecasted to remain the same in 2018. The number of unemployed, however, is projected to increase from 29.1 million in 2017 to 30.2 million in 2018 and 31.3 million in 2019 owing to rapid labour force growth. The relatively low unemployment rate in sub-Saharan Africa masks heterogeneity among countries. Unemployment rates are therefore much higher in some countries, for example, South Africa, where the rate stood at 27.7 per cent in 2017. Another problem masked by the relatively low unemployment rate is that most of the working population of the region is in vulnerable employment or underemployed in the informal economy, which is characterized by high levels of poverty, inequality and decent work deficits. Owing to widespread informality and the almost non-existence of social protection, people are pressured to take up any employment opportunity, regardless of the working conditions. In 2018, the vulnerable employment rate is expected to reach more than 72 per cent, making it the highest in the world. The number of people in vulnerable forms of employment is also expected to reach 279 million people. The region also has one of the highest rates of informality outside the agricultural sector, ranging from 34 per cent in South Africa to 90.6 per cent in Benin.

46. The persistent high levels of unemployment among young people and women in North Africa and the pervasive poor-quality employment in sub-Saharan Africa, where the working-age population is young, growing and poorly educated, underscore the urgent need to invest in education and skills training for young people, tackling discrimination, closing the gender gap in both labour markets and education and promoting efficient school-to-work transitions. Gains in these areas will better position the continent to reap a demographic dividend offered by a growing population.

B. Structural transformation

47. Inclusive structural transformation offers Africa the best path to prosperity. Structural transformation lies at the heart of policy to solve Africa's huge unemployment challenge, as well as decent work deficits and low incomes. Given varying natural resource endowments throughout the continent, countries can pursue agriculture-led or industrialization-led structural transformation by shifting economic activity from low-productivity subsistence agriculture to higher-productivity manufacturing and industry sectors. Structural transformation, however, has happened at a very low pace in Africa, especially in sub-Saharan Africa. Notwithstanding the continent's strong economic growth and rapid urbanization, Africa is underindustrialized, informality remains widespread, productivity is low and

factors of production, namely, land and labour, are misallocated.[26] For example, the industry share of employment is estimated to be only 13.5 per cent in 2018.[27] The existing manufacturing sector is dominated by small and informal firms characterized by very low productivity, and access to land is limited for productive firms.

48. Diversifying the economy by developing labour-intensive manufacturing and services sectors such as textile and apparel production, agro-industry and agro-processing, including horticulture, food processing and tradable services, such as tourism, transport and ICT-enabled ones, are some of the new pathways towards structural transformation in Africa. Several non-resource-rich countries such as Ethiopia, Mauritius, Morocco and Rwanda have successfully followed the above pathways by creating an environment conducive to investment in quality infrastructure, industrial parks, education and skills development and land titling and access. They have also adopted an "export-push strategy" by developing a package of trade and exchange rate policies, public investment, regulatory reforms and institutional changes designed to increase the share of non-traditional exports in GDP. By doing so, they generated growth spikes and decent jobs, and their examples can provide useful lessons for the entire continent. In addition to creating jobs in modern agriculture, industry and services, they implemented policies that empowered the poor and the low-skilled workers to take advantage of the new opportunities that arise with structural transformation. African countries can also leverage rising incomes, urbanization and growing food consumption in cities by tapping into local, regional and global value chains relating to the processing of agricultural products. Investment in tourism and ICT will also raise living standards.

49. Mobilizing domestic savings in support of productive investment, improving tax policies and the collection of tax revenue, enhancing the effectiveness of public spending and combating illicit financial flows are some of the means available to implement the above strategies. For example, domestic savings represented $422 billion annually during the period 2009–2016 in Africa, which is 20 per cent of the continent's GDP. In addition, the continent mobilized $312 billion in tax revenue, or approximately 1.7 times more than the $185 billion in external financial inflows, in 2016.

50. Africa also needs to speed regional integration and intra-Africa trade in order to benefit from larger market opportunities. At approximately 10 per cent of Africa's total trade, intra-Africa trade is very low, with 40 per cent in North America and 60 per cent in Western Europe. More than 80 per cent of Africa's exports are shipped to China, the United States of America and the European Union. To boost intra-African trade, African Union member countries signed the African Continental Free Trade Area in 2018, focusing on five services priority sectors: transport, communication, financial, tourism and business services. A total of 49 countries have signed the agreement and 6 have ratified it. If all 55 African Union member countries join the treaty, then it will create a bloc with a total GDP of $2.5 trillion and a market of 1.2 billion people.

C. Infrastructure development

51. Both the 2030 Agenda and Agenda 2063 include an emphasis on the importance of infrastructure development for achieving socioeconomic development. Africa's infrastructure is behind that of other regions in terms of quantity, affordability and

[26] Manabu Nose, "Road to industrialized Africa: role of efficient factor market in firm growth", IMF Working Paper No. WP/18/184 (Washington, D.C., International Monetary Fund, 2018).

[27] International Labour Organization, Key Indicators of the Labour Market database. Available at www.ilo.org/ilostat (accessed on 21 November 2018).

quality, owing mainly a to lack of investment. The continent's infrastructure investment needs are estimated at $130 billion to $170 billion annually. The financing gap amounts to $68 billion to $108 billion annually. Access to basic infrastructure is also limited. In 2016, only 42 per cent of African households had access to electricity.[9] In 2017, only 22 per cent of the population used the Internet.[28]

52. Aside from limited access, infrastructure services are also more expensive in Africa than in other developing regions. In Africa, manufacturing enterprises pay, on average, $0.20 per kWh for electricity, which is approximately four times higher than in the rest of the world; road freight tariffs per km are two to four times higher than in the United States; travel times along key export corridors are two to three times longer than in Asia; telephone charges are approximately four times higher than in South Asia; and Internet costs much more, with the price of 1 GB of data amounting to 18 per cent of an average citizen's income, compared with only 3 per cent in Asia.[28]

53. Significant basic infrastructure inequalities also exist between rural and urban areas. Rural areas are behind urban areas in terms of access to clean water and sanitation, electricity, roads, health and education services and connectivity. In Southern Africa, for example, during the period 2010–2016, while 78 per cent of the population in urban areas had electricity, only 20 per cent had access, on average, in rural areas.[3] Rural women and girls are particularly disadvantaged.

54. The poor state of infrastructure development in Africa has both economic and social repercussions. It results in productivity loss and removes up to 2 per cent from Africa's average per capita growth rates. Poor infrastructure also leads to lower social development, with higher child mortality, for example, driven by low access to clean water and electricity.24 To address the continent's infrastructure deficits, African leaders adopted the Programme for Infrastructure Development in Africa. Since its launch in 2012, the Programme has boosted individual countries' investment in public infrastructure projects. For example, between 2015 and 2016, while overall commitments to Africa's infrastructure from all reported sources declined from $78.9 billion to $62.5 billion, the budget allocations from African Governments increased from $24.0 to $26.3 billion. The amount invested, however, varies widely from one subregion to the other. Central Africa, for example, invests the least in infrastructure per inhabitant in Africa, notwithstanding its great need. In 2016, just 2 per cent of the regional GDP ($6.3 billion) was used to finance projects, a proportion that is twice as low as that of the other subregions.[29]

55. In the context of decreasing infrastructure financing in Africa, it is important to identify new types of funding and new investors. To fund infrastructure projects, African countries now have other options than foreign aid, such as remittances, private grants from philanthropists and tax revenue. Sovereign wealth funds, pension funds, market finance and FDI are other possible sources of infrastructure financing.[24]

V. Promoting good governance and peace and security

56. Good governance and peace and security are critical prerequisites for inclusive and sustainable development. Effective governance requires that the government and other public institutions be inclusive, participatory and accountable to the people. Compared with the rest of the world, African citizens tend to have low rates of net satisfaction with their public services, as noted in the previous report of the Secretary-

[28] International Telecommunication Union, "ICT facts and figures 2017" (Geneva, 2017).

[29] Infrastructure Consortium for Africa, *Infrastructure Financing Trends in Africa — 2016* (Abidjan, 2017).

General on the social dimensions of the New Partnership for Africa's Development (E/CN.5/2018/2).

57. Notwithstanding the above, African countries have made advances in overall governance by supporting the African Peer Review Mechanism, a voluntary self-assessment tool designed to promote more effective governance in four thematic areas: democracy and political governance, corporate governance, economic governance and management and socioeconomic governance. By January 2018, 37 African countries had voluntarily adhered to the Mechanism and 21 had completed their self-assessments and been peer reviewed. Progress in implementing the national programmes of action resulting from those reviews has been noted.

58. Africa is experiencing increased democratization and becoming safer over the long run, as the steady decrease in the amount of conflicts and resultant deaths show.[30] Challenges remain, however. Conflicts persist in some countries, undermining peace and security and democratic gains.[31] Political exclusion remains a source of violent conflict, as noted by the Secretary-General in his report on the causes of conflict and the promotion of durable peace and sustainable development in Africa (A/73/273-S/2018/566).

59. The outbreak or recurrence of crises and violent conflicts have a negative impact on populations and undermine institutions and capacities for peace and development and for the advancement of sustainable and inclusive development. With a view to assisting African countries in averting such events, the United Nations and the African Union are making progress in institutional coordination and signed the Joint United Nations-African Union Framework for Enhanced Partnership in Peace and Security in 2017. They also signed the African Union-United Nations Framework for the Implementation of Agenda 2063 and the 2030 Agenda for Sustainable Development in 2018. The United Nations continues to work towards ensuring coherence in the implementation of these two Frameworks and their action plans.

60. African countries continue to improve institutions and regulatory environments, in line with NEPAD governance objectives and priorities. That includes tackling corruption. The African Union made 2018 the African Anti-Corruption Year, with the theme of "Winning the fight against corruption: a sustainable path to Africa's transformation". African institutions, organizations and citizens are urged to embark on a journey to address the urgent need to curb corruption.

VI. Mobilizing resources for development

61. Domestic resource mobilization is of paramount importance to Africa's development aspirations. Good progress has been made in improving the mobilization of tax revenue. The average tax-to-GDP ratio was 18.2 per cent in 2016, the same level as in 2015. This represents a strong improvement from 13.1 per cent in 2000.[32] Tax revenue in absolute terms increased 2.3 per cent from 2015/16 to 2018/19. The improved tax-to-GDP ratio, however, still falls below the requirement of the optimal threshold to finance development of 25 per cent.[24] The continent still faces obstacles to raising this ratio, such as poor governance, weak customs and tax institutions,

[30] Gilles Olakounlé Yabi, "Peace and security in Africa", ISPI Background Paper No. 4 (Italian Institute for International Political Studies, 2016).

[31] African Union, "Decisions, declarations and resolutions", thirtieth Ordinary Session of the Assembly of Heads of State and Government of the African Union, 28–29 January 2018. Available at https://au.int/sites/default/files/decisions/33908-assembly_decisions_665_-_689_e.pdf (accessed on 21 November 2018).

[32] Organization for Economic Cooperation and Development, *Revenue Statistics in Africa 1990–2016* (Paris, 2018).

inadequate awareness among taxpayers and high informality. Countries can increase their resource mobilization efforts and boost tax revenue by minimizing tax exemptions and rebates, increasing tax compliance, building the capacities of institutions and curbing illicit financial flows, fraud and corruption.

62. The ratio of expenditure to GDP increased between 2008 and 2015, while total government revenue to GDP remained the same, increasing fiscal deficits. Concessional financing has decreased since the 2008 global recession. This has resulted in countries financing deficits through loans, thereby increasing public debt levels. The public debt ratios have begun to increase after a long period of decline that was supported by the Heavily Indebted Poor Countries Initiative and the Multilateral Debt Relief Initiative. In 73 per cent of the countries, the general government gross debt increased during the period 2013–2016, although only a few countries that had benefited from the Heavily Indebted Poor Countries Initiative recorded debt accumulation beyond the Initiative's level, notwithstanding the increase in debt levels.[24] It is therefore imperative for countries to prioritize containing debt accumulation, taking into account their financing needs and their ability to repay as their economy grows.

63. Africa's current account deficits also steadily increased between 2009 and 2015, owing mainly to trade deficits. This has raised concerns about their sustainability, given that unsustainable current account deficits are an indicator of a poor state of the economy, which discourages FDI. Large current account deficits also increase the risk of a currency crisis and the accumulation of foreign debt. Africa is heavily dependent on foreign sources, which include FDI, portfolio investment, remittances, official development assistance (ODA) and external debt for the financing of its current account deficits. Remittances have been the largest and most stable source of its financial flows since 2010, accounting for one third of the total external financial inflows. FDI inflows have been increasing, but ODA has remained a large source of financing in many African countries.

64. In 2017, initial estimates for bilateral ODA to Africa was approximately $29 billion, with aid to sub-Saharan Africa at some $25 billion, reflecting an increase of approximately 3 per cent in both.[33] While the percentage of aid to sub-Saharan Africa channelled through the multilateral system and civil society organizations is increasing, country programmable aid and flows continued to decline. ODA as a share of gross national income remained low, and the commitment by most of the Development Assistance Committee members to the least developed countries is far from being met. Gross bilateral ODA to Africa declined by 10 per cent and to sub-Saharan Africa by 13 per cent in real terms between 2011 and 2016. The top five aid recipients in sub-Saharan Africa in 2016 were Ethiopia, Kenya, the United Republic of Tanzania, South Sudan and Nigeria. Aid fell by 60 per cent or more in real terms in the Congo, the Democratic Republic of the Congo, Eritrea, Mauritius and Togo.[34]

VII. Progress in coherent and coordinated implementation of the 2030 Agenda for Sustainable Development and Agenda 2063

65. The importance of multi-stakeholder and collaborative partnerships has been emphasized in both the 2030 Agenda and Agenda 2063. There is a strong need for an

[33] Organization for Economic Cooperation and Development, "Development aid stable in 2017 with more sent to poorest countries", 9 April 2018. Available at www.oecd.org/development/financing-sustainable-development/development-finance-data/ODA-2017-detailed-summary.pdf (accessed on 21 November 2018).

[34] Organization for Economic Cooperation and Development, *Development Co-operation to Leave No One Behind: A Snapshot of DAC Member Approaches* (Paris, 2018).

effective partnership between the United Nations system and the African Union to ensure that both Agendas are aligned with other internationally agreed development frameworks and are mainstreamed and integrated into national planning frameworks. A harmonized and integrated approach will help to avoid duplication, optimize resource use and mobilize the support of domestic and external development partners and stakeholders.

66. In view of this, the United Nations and the African Union have been working closely to strengthen synergies. The conditions for cooperation between them to promote inclusive growth for Africa's sustainable development and transformation are set out under the African Union-United Nations Framework for the Implementation of Agenda 2063 and the 2030 Agenda for Sustainable Development. The organizations endorsed the Framework as the foundation for stronger coordination to achieve the mutual strategic intents of the 2030 Agenda and Agenda 2063. They will be carrying out joint activities and programmes for the effective implementation, tracking and monitoring of and reporting on the 2030 Agenda and Agenda 2063. The activities and programmes prioritized under the Framework will be included in the relevant workplans of the two organizations, subject to their relevant mandates and the availability of funds and resources, and will be implemented in accordance with their relevant rules and procedures, in particular the mandatory review processes.[35]

67. This cooperation has provided a strong incentive for the United Nations, in particular the Economic Commission for Africa, the African Union and the African Development Bank, as a financial institution, to work in synergy. It has also laid the foundation for implementing the Addis Ababa Action Agenda of the Third International Conference on Financing for Development and further resource mobilization through innovative approaches. Partnership is also evident in the form of full support for the implementation of development programmes and projects of the African Union, including the NEPAD Programme, by the United Nations system based on the framework of the Regional Coordination Mechanism for Africa. To deepen inter-agency coherence, the United Nations has realigned the clusters of the Mechanism to deal with the major themes of both the 2030 Agenda and Agenda 2063, as noted in the report on United Nations system support for the African Union and its NEPAD Programme (E/ECA/COE/37/10). The United Nations country teams, in coordination with governments, will also ensure that a coherent and integrated system-wide United Nations response is set up to support the national development priorities.

VIII. Conclusions and recommendations

68. Going forward, combating inequality is a necessary step to eradicating extreme poverty everywhere and achieving other Sustainable Development Goals. African countries must therefore prioritize policies and strategies that promote structural economic transformation, inclusive, equitable, sustained and sustainable growth, and employment creation and social protection. Countries should also modernize agriculture by boosting yields and productivity per worker and should invest in critical infrastructure. Lastly, countries should promote equal access to quality education and health services and promote women's empowerment and gender equality and strengthen good governance.

[35] Economic Commission for Africa, *African Union-United Nations Framework for the Implementation of Agenda 2063 and the 2030 Agenda for Sustainable Development* (Addis Ababa, 2018). Available at www.uneca.org/sites/default/files/images/african_union_-_un_framework_27_jan_18.pdf (accessed on 21 November 2018).

69. To further promote social progress in Africa, the Commission for Social Development may wish to consider the following recommendations:

(a) **African countries should actively promote inclusive structural transformation through industrialization and should boost agriculture productivity in order to spur equitable and sustained economic growth, eradicate extreme poverty and hunger, combat inequality and create decent jobs for all;**

(b) **African countries should invest in human capital development, especially in education and skills training, and universal health coverage and should protect populations against preventable infectious diseases;**

(c) **To prevent poverty and leave no one behind, African countries should invest in social protection by establishing or strengthening nationally appropriate social protection systems that cover individuals throughout the life cycle. In particular, coverage should be extended to children, mothers with young children, persons with disabilities and other vulnerable populations, those living in rural areas and those who are unemployed or working in the informal economy;**

(d) **Countries should also encourage domestic private investment by leveraging domestic savings and remittances and improving rules for public investment, strengthen regional integration by operationalizing the African Continental Free Trade Area and curb illicit financial flows;**

(e) **African countries should advance peace and security and foster good economic and political governance by increasing the accountability and transparency of administrative data and public services, improving the business environment and investing in upgrading institutional capability, including statistical capacity, in order to support the monitoring of and reporting on the 2030 Agenda and Agenda 2063 in a coordinated and coherent manner;**

(f) **Development partners, including the United Nations system, should continue to support the implementation of Africa's development priorities as set out in the 2030 Agenda and Agenda 2063. The United Nations system should continue to provide support to Africa in a coordinated and coherent manner, including through the Regional Coordination Mechanism for Africa and its realigned clusters, and the country Resident Coordinator system to improve policy coherence at the regional and country levels. The United Nations system can also enhance its support to countries by further improving the quality of policy research and knowledge products and technical assistance to strengthen national capacities.**